

**For Immediate Release**  
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**BOE Newsroom**

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## **Board of Equalization Expands Offers In Compromise Program**

The State Board of Equalization's Offers in Compromise program will be expanded under Board sponsored legislation recently signed by the Governor, the BOE announced today.

The BOE will be able to accept more offers in compromise beginning in January 2009 for certain tax or fee liabilities, and such offers will be expanded to qualified businesses that are still operating under provisions of AB 2047. Under previous law only businesses that had been discontinued or transferred could make offers in compromise.

In general, an offer in compromise is a process in which a taxpayer offers to pay an amount that he or she believes to be the maximum amount that he or she can afford to pay within a reasonable time based on his or her income or assets. If the parties agree to the amount offered, the debt is compromised or reduced to that amount.

[AB 2047](#) (Horton) – Chapter 222, which will be in effect only until January 1, 2013 unless extended by the legislature, also allows compromises from use tax assessed by the BOE against a consumer who is not required to hold a seller's permit. The BOE bill analysis notes that these liabilities often come as a surprise to the taxpayer and can financially cripple otherwise law-abiding taxpayers.

An estimated 202 additional offers in compromise applications are expected to be granted annually from this new law. To begin the process for making an offer in compromise, a taxpayer should complete an Offer in Compromise Application ([form BOE-490](#) for individuals or [form BOE-490-C](#) for all other entities) and submit it to their [local district office](#). For more information or assistance with the OIC process, taxpayers may contact the BOE's Offers in Compromise Section at 916-322-7931.

Other Board sponsored bills signed into law by the Governor include:

[AB 1452](#) (Budget Committee) – Chapter 763, provides that it shall be rebuttably presumed that, except as specified, a vehicle, vessel, or aircraft purchased outside this state and brought into California within 12 months from the date of purchase is purchased for use in California and is subject to California use tax.

[AB 1895](#) (Silva) – Chapter 24, limits the amount of time the BOE has to issue a deficiency determination (billing) against corporate officers and other responsible persons. The bill requires that such a determination be mailed within whichever of the following periods expires the earliest: 1) three years after the last day of the calendar month following the quarterly period in which the Board obtains actual knowledge of the termination, dissolution, or abandonment of the entity, 2) three years after the last day of the calendar month following the quarterly period in which the Board obtains written communication

by the business or its representative of the termination, dissolution, or abandonment of the entity, or 3) eight years after the last day of the calendar month following the quarterly period in which the entity was terminated, dissolved, or abandoned.

[AB 3079](#) (AR&T) – Chapter 306 – (1) authorizes the Department of Industrial Relations to share specified information available in the department’s records with the Board to assist the Board in determining taxpayers’ compliance with the Sales and Use Tax Law; (2) reinstates the Board’s voluntary use tax disclosure program for unregistered California purchasers; (3) extends the Board’s managed audit program indefinitely; and (4) requires a train operator transporting fuel products to obtain a license and file monthly information reports on fuel products entering, moving within, and departing the state.

[SB 1495](#) (Kehoe) – Chapter 594 - for purposes of the disabled veterans’ property tax exemption, provides that a dwelling not occupied because of a misfortune or calamity or a home totally destroyed in a governor-declared disaster will continue to receive the exemption while the home is being reconstructed.

The five-member California State Board of Equalization is a publicly elected tax board. The BOE collects more than \$53 billion annually in taxes and fees supporting state and local government services. It hears business tax appeals, acts as the appellate body for franchise and personal income tax appeals, and serves a significant role in the assessment and administration of property taxes.

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